

FOREIGN AGRICULTURAL SERVICE

FY 1999 and FY 2000 ANNUAL PERFORMANCE PLANS

Introduction: The Foreign Agricultural Service (FAS) was established on March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to FAS. These authorities were consolidated in Title 5 of the Agricultural Trade Act of 1978, as amended. Secretary's Memorandum No. 1020-39 dated September 30, 1993, transferred the functions of the former Office of International Cooperation and Development to FAS.

In the course of carrying out its activities, FAS administers programs authorized by separate statutes such as the Agricultural Trade Act of 1978, as amended; the Food, Agriculture, Conservation, and Trade Act of 1990, as amended; the Agricultural Trade Development and Assistance Act of 1954, as amended; Food for Progress Act of 1985; Section 416(b) of the Agricultural Act of 1949; and Section 1458(a) of the National Agricultural Research, Extension and Teaching Policy Act of 1977. FAS' mission and strategic goals are derived from these legislative mandates.

This document represents the final FY 1999 Annual Performance Plan (APP) based upon actual appropriations received and the proposed FY 2000 APP in support of the President's FY 2000 budget submission. This document also represents two full years of learning and striving by FAS to improve the quality and usefulness of the performance measures for both external reviewers and internal managers and staff. During the preparation of the FY 2000 APP, FAS conducted two rounds of planning workshops with all divisions resulting in improved measures and increased ownership by managers at all levels. With this in mind, FAS has decided to adopt the measures created in FY 2000 for use in FY 1999. FAS will report against these measures in its FY 1999 GPRA report following the end of FY 1999.

Mission: FAS' mission is to serve U.S. agriculture's international interests by expanding export opportunities for U.S. agricultural, fish, and forest products and promoting world food security.

Organization: Headquartered in Washington, D.C., FAS maintains an international field structure which includes 64 Agricultural Counselor, Attaché, and Affiliate Foreign National Offices, 17 Agricultural Trade Offices, and several agricultural advisors covering 130 countries around the world. FAS administers a variety of export promotion, technical, and food assistance programs in cooperation with Federal, State, local, private sector, and international organizations. FAS' current staff-year ceiling totals 900 with direct appropriated funding of \$140 million and reimbursable funding of \$60 million for fiscal year 1999.

FAS takes the lead within the Department of Agriculture to protect and strengthen the long-term competitive position of U.S. agricultural, fish, and forest products in foreign markets. It accomplishes this goal through negotiating and monitoring trade agreements; market development, promotion, and outreach activities; country and commodity market intelligence collection, analysis, and dissemination; and international financial assistance programs. FAS also participates in foreign food aid and technical assistance, research, and economic development activities that support the long-term goal of reducing by half the number of undernourished people worldwide by 2015. FAS works in partnership with other public and private sector organizations to help build stable and more prosperous economies through the sustainable management of natural resources.

External Factors: FAS mitigates the negative impacts of external factors posed by foreign competitors by assessing competitor expenditures on export promotion and subsidies and by effectively deploying staff, and technological and program resources through a unified export strategy. External factors include foreign competitors' use of export subsidies, non-price export promotion, monopolistic marketing boards, and various technical assistance programs.

Other external factors outside FAS' span of control include: variability in crop production due to weather conditions, both at home and abroad; effect of foreign exchange fluctuations on the price of U.S. products

abroad; political and economic instability that may undermine demand in key importing countries; and reductions in resources of other USDA and Federal agencies with whom FAS works in partnership to fulfill its strategic mission and goals. FAS mitigates economic instability in foreign markets through the use of its Export Credit Guarantee programs to offset the effects of short-term liquidity shortages (e.g., in FY 1998 FAS increased export credit guarantee allocations to Asian countries suffering the effects of the Asian financial crisis). Additionally, FAS mitigates the effects of natural disasters (e.g., Hurricane Mitch) by shipping food aid commodities to and by managing technical assistance projects in those countries experiencing food shortages and damage to their basic infrastructure.

Goal 1: Expand export opportunities for U.S. agricultural, fish, and forest products.

Objective 1.1: Open, maintain, and expand foreign market access for U.S. agricultural, fish, and forest products.

Baseline:	Recent activity levels for selected performance indicators include:	FY 1997
	• Gross annual trade value of markets created, expanded, or retained (FY 1997) (\$Bil)	\$2.0
	• WTO notifications reviewed and addressed as appropriate	672
	• Completion of new regional and multilateral trade rules; WTO	1%
	FTAA	1%
	APEC	1%
	• Percentage of target deadlines met in implementing statutory requirements for export sales reporting and managing sugar and dairy import programs	100%

Program Activities: *Market Access.* Negotiate bilateral, regional, and multilateral trade agreements and monitor compliance; identify restrictive tariff and nontariff barriers that restrict U.S. agricultural, fish, and forest product exports and negotiate their removal; facilitate the development of trade-appropriate international standards; and administer import management programs and other mandates.

Funding and FTEs	FY 1997	FY 1998	FY 1999	FY 2000
Salaries and Expenses (\$Mil.) – Appropriated FTEs – Appropriated	\$21.872 203	\$25.925 211	\$26.213 207	\$26.465 203
PERFORMANCE GOALS AND INDICATORS Initiate actions to resolve or mitigate barriers to U.S. exports, including resolving or advancing country specific trade issues; implement, enforce, and expand existing trade agreements; negotiate rules- and standards-based issues; and administer the import management program for sugar and dairy products and the export sales reporting system.				

Jointly carry out strategic decision-making processes with other USDA and USG agencies (involved in resolving trade issues, including the food safety initiative and other food safety issues)	Yes	Yes	Yes	Yes
Coordinate private sector involvement in providing advice to the Secretary and USTR on trade policy and technical issues affecting agricultural exports	Yes	Yes	Yes	Yes
WTO Committees on Agriculture, Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) notifications reviewed to help monitor existing trade agreements, and addressed as appropriate:	672	500	600	600
Gross annual trade value of markets created, expanded or retained due to market access activities (\$Bil.)	\$2.0	\$4.0	\$2.0	\$2.0
Development of trade-appropriate guidelines, recommendations, and standards in international organizations (number under development): - CODEX Alimentarius - Organization for International Epizootics - Intl. Plant Protection Convention	150 25 5	150 25 5	200 25 5	200 25 5
Completion of preparatory activities and ongoing negotiations of multilateral and regional trade rules: (cumulative percent complete) - World Trade Organization (WTO-New Round) - Free Trade Agreement of the Americas (FTAA) - Asian Pacific Economic Cooperation (APEC)	1% 1% 1%	2% 2% 2%	3% 10% 5%	10% 20% 10%
Selected targets for regional and multilateral negotiations: WTO - Identification of issues and preparation - Obtain negotiating mandate - Submit/receive negotiating proposals FTAA - Obtain negotiating mandate - Prepare first bracketed outline - Begin negotiation to prepare text APEC - Identify sectors for early liberalization - Define "liberalization" in selected sectors - Obtain commitments to sectoral agreements and obtain non-APEC participation	Yes Yes	Yes Yes Yes	Yes Yes Yes	Yes Yes Yes Yes Yes
Percentage of target deadlines met in implementing statutory requirements for export sales reporting and managing sugar and dairy import programs	100%	100%	100%	100%

Discussion of Performance Goals: The achievement of these performance goals supports the

accomplishment of the USDA's Goal 1.2: Open, expand and maintain global market opportunities for agricultural producers. The rationale for FAS' efforts to increase foreign market access is to achieve a more level playing field for U.S. agricultural, fish, and forest product exporters, which will result in additional opportunities for U.S. agricultural exports. This, in turn, results in additional benefits to the U.S. national and rural economies and domestic employment. FAS performance goals for market access focus on resolving or advancing country specific trade issues; implementing, enforcing, and expanding existing trade agreements; negotiating rules- and standards-based issues; and administering the import management program for sugar and dairy products and the export sales reporting system. Gains in foreign market access for U.S. agricultural exports will depend heavily upon the success of these activities. Every additional market access goal attained by FAS has a positive and beneficial effect on U.S. exports and domestic employment.

The rationale for putting priority on market access issues is that they are vital FAS goals in supporting the U.S. agricultural industry. For example, country-specific Sanitary and Phytosanitary (SPS) issues are often raised by foreign countries under the guise of sound science to block market access. When foreign countries place such unreasonable requirements on their agricultural imports, it limits U.S. export opportunities. FAS provides or administers project funds for research activities specifically targeted to resolve SPS issues and trains foreign participants in U.S. food safety standards (see Goal 2, Objective 2.1). The agency also ensures appropriate representation at key international meetings for SPS and other trade issues.

FAS, working within the interagency process chaired by Office of the United States Trade Representative (USTR), has the primary role in all agricultural trade-related negotiations and implementations. Implementing the North American Free Trade Agreement (NAFTA) and Uruguay Round (UR) agreement, including associated SPS agreements, will mitigate market access issues with many countries and provide additional market opportunities for U.S. agricultural, fish, and forest products. The timeliness and number of agreements implemented will be determined through final resolution of "working" details. WTO membership expansions (accessions) will reduce some market barriers and will provide a vehicle for larger, negotiated trade opportunities over the next five years. The relationship between the activities during fiscal year 2000 and the long-term impacts within the same year will be significantly understated in most instances.

FAS' involvement in crosscutting initiatives that support this objective are the U.S. Government's Trade Policy Steering Committee (TPSC) and Trade Policy Review Committee (TPRC) both chaired by USTR, and the USDA Policy-Level Group on Technical Barriers to Trade. FAS' involvement in these USTR chaired committees ensures that the agricultural production and processing sectors of the U.S. economy and their issues are fully represented. As a result of a General Accounting Office review of USDA's approach to resolving SPS issues, FAS is supporting the Special Assistant to the Secretary on International Affairs by serving as Secretariat to a newly established USDA Policy-Level Group on Technical Barriers to Trade. The purpose of the group is to coordinate USDA-wide goals and objectives and facilitate the integration of USDA-wide processes to improve USDA's efficiency and effectiveness in prioritizing SPS issues and bringing them to resolution. Other participating USDA agencies include APHIS, AMS, ARS, ERS, FSIS, GIPSA, OGC, and Office of Chief Economist. USDA is still in the process of determining how all of the USDA agencies will jointly plan and coordinate this effort; however, FAS is facilitating monthly working level meetings with other USDA agencies to jointly decide priorities for resolving SPS issues.

Means and Strategies: Resources will be deployed to field three negotiating teams required for the concurrent new multilateral trade negotiations (i.e., WTO, FTAA, and APEC); and to strengthen USDA's coordination, monitoring, and analysis of international environmental agreements and their impact on U.S. agricultural exports. FAS' strategy to develop policies for resolving/reducing trade barriers is determined in large part through Inter-Agency processes and reflects Administration priorities. Within USDA, it is also determined in consultation with policy officials including the Office of the Secretary and the Sub-Cabinet. FAS also coordinates private sector involvement in identifying overall trade policy objectives regarding agricultural trade issues through the Agricultural Policy Advisory Committee (APAC) and 5 Agricultural Technical Advisory Committees (ATACs).

Increased workload demands will require significant improvements in staff efficiency and effectiveness. Utilizing appropriate technologies will assist FAS in handling this increased workload. Specifically, increased work will result from preparing the next round of multilateral agricultural negotiations scheduled to begin in 1999; negotiating additional WTO accessions (32 are currently in progress); expanding monitoring and analysis of WTO notifications on Technical Barriers to Trade; strengthening monitoring and analysis of environmental agreements and their impact on U.S. agricultural exports; improving submissions for SPS trade dispute resolution; expanding NAFTA; and creating a Free Trade Area of the Americas (FTAA) targeted by the Administration for completion by 2005. Each of these initiatives will increase market access opportunities for U.S. agricultural, fish, and forest product exporters.

The lead organizational unit is FAS' International Trade Policy program area. Its activities are supported by Commodity and Marketing Programs and FAS' overseas offices which dedicate considerable resources to the resolution of trade policy issues. FAS foreign and domestic travel enables FAS headquarter representatives and negotiators to successfully accomplish these goals. FAS recognizes the need for a more integrated and comprehensive process for tracking trade issues from identification to resolution, and is developing a integrated trade issues data base. FAS has begun working with APHIS, FSA, FSIS, and GIPSA to develop an Internet/Intranet-based database and application system that will allow USDA agencies to store and retrieve SPS data.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. In FY 1998, FAS held GPRA workshops with every division within the agency to identify each division's primary and support roles and responsibilities relative to each and every performance goal/indicator. Upon determination of the division's roles and responsibilities as either primary or support, each division is developing verification and validation procedures to ensure that the data are accurate. FAS Compliance Review staff is reviewing these procedures for completeness and accuracy. Also, FAS is in the process of developing a performance management and reporting system that will be accessible from FAS' Intranet. Each division that has a primary responsibility for a performance goal/indicator will be required to report successes on a quarterly basis. These reports will be reviewed by the Office of the Administrator and the appropriate upper level managers. Every year, FAS will implement this process whereby divisions will identify their primary and support roles and responsibilities relative to next year's annual performance plan to ensure that new performance goals/indicators are covered and determine whether existing goals/indicators' verification and validation procedures are current.

Objective 1.2: In cooperation with private industry partners, identify and develop new export opportunities and assist the U.S. agricultural sector in responding effectively.

Baseline:	Recent activity levels for selected performance indicators include:	FY 1997
	<ul style="list-style-type: none"> Number of FAS program participants that improve their strategic planning process as verified by independent audit by FAS Compliance Review Staff 	15
	<ul style="list-style-type: none"> Cumulative number of organizations that have coordinated at least one activity with another participant in the Unified Export Strategy (UES) process 	25
	<ul style="list-style-type: none"> Average level of industry contribution (percent) to cost-share (\$ industry contribution/\$ FAS program resource) market promotion programs (i.e., MAP and FMD) 	56%
	<ul style="list-style-type: none"> Number of strategic partners working in partnership with FAS in carrying out outreach activities (FY 1998) 	40
	<ul style="list-style-type: none"> Ratio of the number of U.S. companies assisted annually through FAS AgExport Services in establishing export activities and overseas marketing distribution channels for their products to the number of companies contacted 	1,700:
4,000		

- through outreach activities (FY 1998)
- Ratio of the number of companies successfully exporting (as verified by PERS database) to the number of companies assisted annually through FAS 200:
1,700
 - AgExport Services in establishing export activities and overseas marketing channels for their products (FY 1998)
 - Ratio of the number of foreign buyers reporting a purchase of U.S. products to the number of all foreign buyers assisted annually through FAS AgExport Service activities (trade shows, trade leads, buyer alerts) (FY 1998) TBD:
1,500

Program Activities: Market Development, Promotion, and Outreach. Seek out and develop export opportunities through market research and trade servicing and develop them through technical assistance and promotion programs targeting foreign audiences conducted by FAS staff or in jointly funded partnership with U.S. food and agriculture export promotion organizations. Improve the effectiveness of U.S. industry export efforts by efficiently communicating export opportunities to the U.S. trade and assisting in the development of comprehensive strategic responses with particular emphasis on cooperatives and small, new-to-market or disadvantaged entities or products.

Funding and FTEs	FY 1997	FY 1998	FY 1999	FY 2000
Market Access Program (\$Mil.) – Mandatory	\$90.0	\$90.0	\$90.0	\$90.0
Foreign Market Development Prog (\$Mil.) – Appropriated	\$27.5	\$27.5	\$27.5	---
Foreign Market Development Prog (\$Mil.) - Mandatory	---	---	---	\$27.5 ^{a/}
Quality Samples Program (\$Mil.) - Mandatory	---	---	---	\$2.5 ^{b/}
Salaries and Expenses (\$Mil.) – Appropriated	\$35.460	\$37.970	\$37.714	\$38.549
(\$Mil.) – Reimbursable	0	\$0.250	\$0.250	\$0.250
FTEs --- Appropriated	173	179	176	172
Reimbursable	3	3	3	3
^{a/} Legislation will be proposed to shift funding for this program from FAS annual appropriations to the Commodity Credit Corporation (CCC) ^{b/} Legislation to authorize this activity will be submitted as part of the President's FY 2000 Budget.				
PERFORMANCE GOALS AND INDICATORS Increase U.S. market share of world agricultural trade with new efforts to promote value-added products; enlist the active commitment of the U.S. private sector to the export trade; improve the export competitiveness of U.S. firms with special emphasis on small, new-to-export, and disadvantaged U.S. firms and cooperatives; enhance impact of U.S. promotion efforts through improved coordination and collaboration between the government and private sector and among private sector entities with common export interests.				
Number of FAS program participants that improve their strategic planning process	---	15	15	14
Cumulative number of organizations that have coordinated at least one activity with another participant in the Unified Export Strategy (UES) process	25	32	38	44

Average level of industry contribution (percent) to cost-share (\$ industry contribution/\$ FAS program resource) market promotion programs (i.e., MAP and FMD)	56%	86%	88%	90%
Number of strategic partners working in partnership with FAS in carrying out outreach activities	---	40	65	80
Ratio of the number of U.S. companies assisted annually through FAS AgExport Services in establishing export activities and overseas marketing distribution channels for their products to the number of companies contacted through outreach activities	---	1,700: 4,000	2,000: 4,000	2,000: 4,000
Ratio of the number of companies successfully exporting (as verified by PIERS database) to the number of companies assisted annually through FAS AgExport Services in establishing export activities and overseas marketing channels for their products	---	200: 1,700	250: 2,000	250: 2,000
Ratio of the number of foreign buyers reporting a purchase of U.S. products to the number of all foreign buyers assisted annually through FAS AgExport Service activities (trade shows, trade leads, buyer alerts)	---	TBD: 1,500	TBD: 1,700	TBD: 1,700
Reverse trade missions:				
Number of reverse Trade missions conducted	---	---	---	4
Number of companies assisted in establishing marketing and distribution channel contacts	---	---	---	10
U.S. export sales due to missions (\$Mil.)	---	---	---	\$3

Discussion of Performance Goals: The achievement of these performance goals supports the accomplishment of the USDA's Goal 1.2: Open, expand and maintain global market opportunities for agricultural producers. USDA's rationale for strengthening U.S. agriculture's long-term competitive position in global markets is to provide a more level playing field for U.S. exporters of agricultural, fish, and forest products. FAS' market development strategy relies heavily on market promotion programs (FMD, MAP, and trade show sponsorship) and an ambitious outreach effort. FAS is increasing these programs' effectiveness by integrating them with other export programs, activities, and policy initiatives, and targeting promising growth markets or growth market segments in mature markets where market development is the most appropriate tool to boost exports. However, while pursuing this growth strategy, FAS must continue to invest appropriate resources in mature markets to protect hard-won gains from increasingly well-funded market development efforts by competitors.

Several performance indicators focus on tracking progress in achieving FAS' outreach objectives; namely, increasing domestic awareness of export opportunities, USDA export programs, and overseas market intelligence. The rationale is to reach out directly to potential exporters -- especially small and new-to-export agribusiness firms -- so that strategic partnerships can be built with interested organizations to explain to their memberships the rewards of exporting and how USDA can assist them in developing new markets.

FAS will continuously monitor competitor expenditures on export promotion and subsidies, and deploy staff, technological and program resources through a unified export strategy to effectively combat the external threat posed by foreign competitors to U.S. market opportunities for U.S. agricultural, fish, and forest products. FAS also will work with industry partners, State and local governments, and other Federal departments and agencies involved in export promotion such as Department of Commerce, Export-Import Bank, Small

Business Administration, and other USDA agencies (e.g., AMS, FSA, and the Rural Development Mission area) to ensure exporters are made aware of foreign market opportunities in a timely manner.

Means and Strategies: The necessary resources include an additional \$0.250 million to create a Reverse Trade-Mission Program within FAS to increase the export of high value products and increase foreign importer awareness of the scope and quality of U.S. agricultural exports. The funds requested for reverse buying missions are needed to focus on the export potential of high-value products in, particularly through expanded trade opportunities in the food service and hotel-restaurant sectors. This activity will expose foreign importers, retail-oriented business, and related trade officials to the diversity and quality of U.S. food products, and the superiority of U.S. food safety, production, and marketing systems. These missions will match buyers and sellers through visits to U.S. regions and localities, featuring U.S. food service and retail leaders, processors, and other agribusiness employers who can offer first-hand observations of product diversity, availability, and quality. The FY 2000 program level of \$27.5 million for the FMD program is needed to continue funding marketing plans at the recent historical level. A budget increase of \$370,000 is needed to establish an Agricultural Trade Office in the southern Africa region. This trade office will support the expansion of U.S. exports, currently at \$300 million annually, in this growing market and will enhance the President's investment and trade promotion initiative in sub-Saharan Africa. FAS will use the Commodity Credit Corporation funds to implement the Quality Samples Program. The purpose of this program is to promote the development of overseas markets by providing funding for U.S. commodity samples to be sent to foreign importers and processors in order to provide a better understanding and appreciation for the high quality of U.S. agricultural commodities. U.S. organizations seeking funding under this program must include technical assistance to the foreign processor.

FAS' strategy for identifying the optimal mix of appropriate export promotion programs will be determined through a comprehensive "bottoms-up" tactical planning and resource allocation process that will identify priority markets for deploying agency resources -- a process that will involve FAS staff in Washington headquarters and in overseas offices. The Country Promotion Planning (CPP) process is how FAS will determine market priorities and deploy agency resources. The CPP is a strategic marketing plan developed from a cross-commodity country market point of view by each field office. The focus of this strategy is on identifying which products offer the best prospects for U.S. exporters, setting export performance goals for each, identifying trade and marketing factors which help or hurt our ability to reach those goals, crafting a strategic response to each of those factors using FAS (and possibly other) tools and resources, and finally, establishing quantifiable measures of performance to help evaluate whether the individual market strategy is working. The CPP helps link resources to anticipated trade outcomes.

Additionally, FAS introduced a streamlined application process to its corporate partners by combining the program applications of the FMD and MAP programs into one application. FAS uses the information it gathered in the CPP process to evaluate these applications and allocate funds accordingly.

Increased workload demands will require significant improvements in staff efficiency and effectiveness. Utilizing appropriate technologies will assist FAS in handling this increased workload. Resources required for effective market development, promotion, and outreach include human resources, both in Washington and overseas, as well as program resources (FMD and MAP). Funds for human resources should include, in addition to staff salaries, provisions for domestic and foreign travel, as well as training. Both are crucial to the successful execution of FAS' strategy and attainment of its strategic and annual performance goals.

The lead organizational unit is FAS' Commodity and Marketing Programs area. Its activities are supported by FAS' overseas offices which assign significant resources to market development and promotion. FAS' overseas offices are essential to assisting U.S. suppliers in establishing marketing and distribution channel contacts in foreign markets and critical to conduct overseas outreach events to generate interest in U.S. food and agricultural products. FAS foreign and domestic travel enables FAS headquarter representatives and negotiators to successfully accomplish these goals.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. In FY 1998, FAS held GPRA workshops with every division within the agency to identify each division's primary and support roles and responsibilities relative to each and every performance goal/indicator. Upon determination of the division's roles and responsibilities as either primary or support, each division is developing verification and validation procedures to ensure that the data are accurate. FAS Compliance Review staff is reviewing these procedures for completeness and accuracy. Also, FAS is in the process of developing a performance management and reporting system that will be accessible from FAS' Intranet. Each division that has a primary responsibility for a performance goal/indicator will be required to report successes on a quarterly basis. These reports will be reviewed by the Office of the Administrator and the appropriate upper level managers. Every year, FAS will implement this process whereby divisions will identify their primary and support roles and responsibilities relative to next year's annual performance plan to ensure that new performance goals/indicators are covered and determine whether existing goals/indicators' verification and validation procedures are current.

Calculating the impact of market development relies on procedures established and approved by the Trade Promotion Coordinating Committee (TPCC) and used in preparation of the annual National Export Strategy submitted to the Congress. Estimating national and rural economic impacts involves combining the export impacts with trade multipliers associated with direct and indirect effects of agricultural exports (multiplier effect per billion dollar of agricultural exports are as follows: national economy = \$2.4 billion; rural economy = \$800 million; national employment in jobs created = 17,300). These multipliers were published by USDA's Economic Research Service using results from a 417 sector input-output model of the United States economy.

Objective 1.3: To provide world market agricultural intelligence services to support the accomplishment of other FAS strategic objectives and to meet the market intelligence needs of internal and external users

Baseline:	Recent activity levels for selected performance indicators include:	FY1997
	• Number of overseas trade leads generated annually	5,100
	• Number of foreign buyers contacts listed in FAS import database	20,000
	• Number of buyer alerts generated annually	600
	• Monthly average daily number of user sessions accessing FAS reports (FY 1998)	793

Program Activities: *Market Intelligence.* Collect, manage, analyze, and disseminate information in support of agency-wide objectives including mandatory reporting and monitoring requirements; provide timely and accurate intelligence to FAS, USDA and other USG policy makers, program administrators, and data collection agencies; and distribute export market information to FAS's industry partners, universities and other private and public sector entities.

Funding and FTEs	FY 1997	FY 1998	FY 1999	FY 2000
Salaries and Expenses (\$Mil.) – Appropriated	\$22.236	\$23.045	\$23.300	\$23.774
(\$Mil.) – Reimbursable	\$0.100	\$0.100	\$0.100	\$0.100
FTEs --- Appropriated	181	187	184	180
Reimbursable	2	2	2	2
PERFORMANCE GOALS AND INDICATORS				
To constantly improve the quality, comprehensiveness, and timeliness of market intelligence services.				
Meets all legislative and regulatory monitoring and reporting requirements	Yes	Yes	Yes	Yes

Provides comprehensive and timely recommendations to meet requests from policy makers and program administrators for information and analysis, as verified by semi-annual listening sessions and interviews with key users	Yes	Yes	Yes	Yes
Number of countries assessed in FY 1999 for Y2K readiness in the international food supply sector and monitored in FY 2000	---	---	81	81
Improve the delivery of information services to clients in the public and private sectors as verified by strategic improvement plan to include following key elements: voice of the customer; traditional versus electronic dissemination; service turnaround time; and maintenance of accurate historical data	Yes	Yes	Yes	Yes
<i>AgExport Connections</i> database: Overseas trade leads generated annually Foreign importers listed in FAS database Buyer Alerts generated annually	5,100 20,000 600	5,300 21,000 750	4,000 20,000 600	4,000 20,000 900
Number of average daily user sessions accessing FAS reports over the internet	---	793	912	1050
Forecasting reliability of WASDE projections (Percent difference between February projection and final estimate) World exports U.S. exports Foreign production (Total wheat, corn, rice, soybean, and cotton crops for the top 10 largest producing countries)	4.08% 6.22% 5.00%	4.05% 6.10% 5.00%	4.00% 6.00% 4.95%	4.00% 6.00% 4.90%

Discussion of Performance Goals: The achievement of these performance goals supports the accomplishment of USDA's Goal 1.2: Open, expand and maintain global market opportunities for agricultural producers. The rationale for USDA's foreign market intelligence gathering and analysis is two-fold. First, comprehensive and timely market information is critical to USDA's ability to support its program, regulatory, and policy making activities in international trade and domestic production and marketing. Second, access to timely market information is vital to U.S. producers and exporters who lack the economies of scale to collect and analyze this information on their own. FAS also collects overseas trade leads from foreign importers and supplies them to U.S. exporters. Economic downturns in Asia and Latin America have impacted foreign demand and correspondingly, the number of overseas trade leads in 1999 and 2000.

FAS uses its comprehensive worldwide market intelligence gathering network to alert the domestic market to external factors such as variability in crop production due to weather conditions and the negative effects of foreign exchange fluctuations and economic instability on U.S. export opportunities. FAS works with industry partners, State and local governments, and other Federal agencies (e.g., National Oceanic Atmospheric Administration and USDA's World Agricultural Outlook Board, Economic Research Service, and National Agricultural Statistics Service) to accomplish its market intelligence objective. Additionally, in support of the Food Supply Working Group of the President's Council on Year 2000 conversions, FAS' Agricultural Attaches assessed in FY 1999 the Y2K readiness of 81 countries in the international food supply sector as it affects U.S. interests. This assessment covered 97% of U.S. food imports and 95% of U.S. food exports.

Based on the initial FY 1999 assessments and decisions of the Food Supply Working Group, FAS overseas posts will continue to monitor the preparedness of these countries. FAS will concentrate its effort on key export markets, key import suppliers, and major food aid recipients. FAS' Information Division provides information about the Y2K issue to U.S. agricultural exporters and export associations through the FAS Home Page, AgExporter Magazine and other media channels.

Means and Strategies: The lead organizational unit for market intelligence is FAS' Commodity and Marketing Programs area. In coordination with FAS' overseas offices, which collect, analyze, and forecast country specific crop and market information, this organizational unit assures accurate and timely distribution to end-users. Funds for human resources should include, in addition to staff salaries, provisions for foreign and domestic travel, as well as training. Both are crucial to the successful execution of FAS' strategy and attainment of its strategic and annual performance goals.

FAS works in partnership with the World Agricultural Outlook Board, National Agricultural Statistics Service, the Economic Research Service, and the USDA Office of the Chief Economist. Additionally, FAS is implementing two information technology initiatives that enhance its ability to rapidly gather, transmit, analyze, and disseminate agricultural intelligence. The Global Agricultural Information Network (GAIN) and the Production, Supply, and Distribution (PS&D) systems address the information acquisition, storage, transmission, and dissemination needs of FAS, other USDA agencies, and exporters by simplifying reporting procedures and FAS overseas posts, thereby freeing resources for additional intelligence and/or marketing activities (i.e., focusing on increasing trade leads and buyer alerts).

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. In FY 1998, FAS held GPRA workshops with every division within the agency to identify each division's primary and support roles and responsibilities relative to each and every performance goal/indicator. Upon determination of the division's roles and responsibilities as either primary or support, each division is developing verification and validation procedures to ensure that the data are accurate. FAS Compliance Review staff is reviewing these procedures for completeness and accuracy. Also, FAS is in the process of developing a performance management and reporting system that will be accessible from FAS' Intranet. Each division that has a primary responsibility for a performance goal/indicator will be required to report successes on a quarterly basis. These reports will be reviewed by the Office of the Administrator and the appropriate upper level managers. Every year, FAS will implement this process whereby divisions will identify their primary and support roles and responsibilities relative to next year's annual performance plan to ensure that new performance goals/indicators are covered and determine whether existing goals/indicators' verification and validation procedures are current.

Calculating the performance measures utilizes a variety of methods primarily involving computer counts of electronic records. The forecasting accuracy of statistics will be evaluated using data published in the annual February edition of USDA's World Agricultural Production publication. These estimates are approved by interagency committees under the guidance of the World Agricultural Outlook Board.

Objective 1.4: Focus financial and marketing assistance programs to meet foreign market development needs.

Baseline:	Recent activity levels for selected performance indicators include:	FY 1997
	<ul style="list-style-type: none"> • Number of countries analyzed for market opportunities and risk 	45
	<ul style="list-style-type: none"> • Number of countries approved for participation in the General Sales Manager 	40
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> (GSM)-102 and GSM-103 export credit guarantee programs • Percent usage of GSM export credit guarantees announced 	64.8%

- Level of U.S. agricultural exports supported by:
 - * GSM-102/103 export credit guarantees (\$Mil.) \$2,876
 - * Dairy Export Incentive Program (\$Mil.) \$261
 - * Export Enhancement Program (\$Mil.) \$0

Program Activities: *Financial/Marketing Programs:* Administer price/credit and risk assistance programs designed to leverage overseas market expansion for U.S. agricultural, fish, and forest products and to counter export subsidies of foreign competitors and allow U. S. exporters to compete with sales terms offered by foreign competitors.

Funding and FTEs	FY 1997	FY 1998	FY 1999	FY 2000
General Sales Manager (GSM): Export Credit Guarantees (\$Mil.) – Mandatory	\$2,876.1	\$4,036.7	\$4,721.0	\$4,506.0
Export Enhancement Prog (EEP) (\$Mil.) – Mandatory	0	\$2.1	\$550.0	\$494.0
Dairy Export Incentive Prog (DEIP) (\$Mil.) – Mandatory	\$121.5	\$110.2	\$101.6	\$98.6
Salaries and Expenses (\$Mil.) – Appropriated FTEs --- Appropriated	\$8.825 68	\$8.643 70	\$8.738 69	\$8.822 68
PERFORMANCE GOALS AND INDICATORS Leverage market access and expansion opportunities in developing countries lacking short-term liquidity to borrow on the commercial market for food and agricultural imports.				
Countries considered for GSM-102/103 programs: * No. analyzed for market opportunities and risk * No. analyzed that were approved for participation	45 40	45 40	48 41	54 45
Commercial Program Integrity: Percent of identified administrative (e.g., nonperformance, suspensions and disbarments, etc.) actions resolved	60%	70%	75%	77%
Level of GSM-102/103 usage: * Total GSM-102/103 announcements (\$Mil.) * % of GSM-102/103 announced level registered	\$4,438.5 64.8%	\$6,396.0 63.1%	\$5,700 82.8%	\$5,700 79.1%
Level of EEP bonuses supporting exports (\$Mil)	\$0	\$2.1	\$550.0	\$494.0
U.S. agricultural exports supported by: * GSM-102/103 programs (\$Mil.) * DEIP (\$Mil.)	\$2,876.1 \$261	\$4,036.7 \$281	\$4,721.0 \$253	\$4,506.0 \$226

Discussion of Performance Goals: The achievement of these performance goals supports the accomplishment of the USDA's Goal 1.2: Open, expand and maintain global market opportunities for agricultural producers. FAS' rationale for using its financial marketing tools to leverage market access and market expansion is to enable developing countries lacking foreign exchange to buy U.S. agricultural, fish,

and forest products on the commercial market. In this vein, FAS is refocusing its foreign country financial marketing assistance programs from the public sector to private sector importers. Historically, the public sector was the primary importer of agricultural products and was the primary beneficiary of GSM-102/103 programs, but the trend toward privatization has increased the relative importance of private sector buyers.

The GSM program is an especially useful tool to mitigate the negative effects of economic instability, which often results in short-term liquidity crunches. A recent example includes the use of GSM export credit guarantees in FY 1998 to help importers buy U.S. agricultural products during the Asian financial crisis. In response to that crisis, the programming of export credit guarantees was expanded substantially and sales registrations under the programs were 40% higher in 1998 compared with the previous year. FAS works in partnership with exporters, domestic banks, and the Farm Service Agency's Financial Management Division in administering the GSM program. While the U.S. has a large share of the world market for bulk commodities, there is continued room for export growth in the high-value product sector. The Supplier Credit Guarantee program was created to expand high-value product exports by facilitating credit for such purchases in foreign markets lacking sufficient liquidity to purchase openly on the commercial market.

Means and Strategies: The necessary resources include a program level of \$494 million for the Export Enhancement Program (EEP) and a program level of \$98.6 million for the Dairy Export Incentive Program (DEIP). FY 1999 and FY 2000 program level for DEIP fall within quantity and expenditure commitments resulting from the Uruguay Round Agreement on Agriculture. The lead organizational unit for planning and implementation of financial market assistance programs lies within the Export Credits program area. FAS's strategy to identify and prioritize country allocations is to use the data collected through the Country Promotion Planning Process that is provided by FAS' overseas offices and through the financial analysis of developing countries' liquidity situation. Export Credits evaluates all of this information and administers the programs and activities under its authority to maximize the impact on expanding export opportunities for U.S. agricultural, fish and forest products. Ensuring the integrity of all of these commercial programs is a priority for FAS and Export Credits program area. Maintaining a high level of program compliance and integrity ensures that these valuable programs will continue to be made available to assist U.S. exporters in capturing export sales of their products. Foreign and domestic travel are essential for the effective planning and implementation of these programs. Computer support that allows for sharing information across programs will continue to be a high priority for FAS.

As mandated by the Agricultural Trade Act of 1978, as amended, the Secretary of Agriculture is required to certify that a country is able and willing to meet its current and future debt obligations before extending commercial credit guarantees. This responsibility was delegated to FAS. This mandate complements the Credit Reform Act of 1990 which resulted in the creation of the Interagency Country Risk Assessment System Working Group. This 9-agency group which is chaired by OMB, establishes the country risk ratings that are used to develop budget subsidy estimates for FAS' Export Credit Guarantee Programs (GSM-102, 103, Supplier Credit, and Facility Credit programs).

The Farm Service Agency of USDA is responsible for the financial management (budget and accounting) and IRM systems maintenance for these programs. Additionally, FSA has the program management responsibility for approving foreign banks' participation in the guarantee programs and for setting foreign bank credit (exposure) limits. As FSA's administrative services are converged with the administrative units of Rural Development and the Natural Resources Conservation Service, FAS will work to ensure that the program requirements continue to be met.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. In FY 1998, FAS held GPRA workshops with every division within the agency to identify each division's primary and support roles and responsibilities relative to each and every performance goal/indicator. Upon determination of the division's roles and responsibilities as either primary or support, each division is developing verification and validation procedures to ensure that the data are accurate. FAS Compliance Review staff is reviewing these procedures

for completeness and accuracy. Also, FAS is in the process of developing a performance management and reporting system that will be accessible from FAS' Intranet. Each division that has a primary responsibility for a performance goal/indicator will be required to report successes on a quarterly basis. These reports will be reviewed by the Office of the Administrator and the appropriate upper level managers. Every year, FAS will implement this process whereby divisions will identify their primary and support roles and responsibilities relative to next year's annual performance plan to ensure that new performance goals/indicators are covered and determine whether existing goals/indicators' verification and validation procedures are current.

FAS uses the following automated systems to capture data required to verify and validate the performance indicators. FAS' automated systems include the GSM Export Credit Guarantee system, the Dairy Export Incentive Program (DEIP) system, and the Export Enhancement Program (EEP) system. Deriving the level of U.S. exports supported for these programs varies by program. For the GSM export credit guarantee programs, the impact is verified by the dollar level of registered commitments compared to total GSM program announcements. For the DEIP and EEP programs, the impact is derived by calculated by multiplying the domestic export price by the quantity of commodities purchased by foreign buyers through the programs.

Goal 2: Promote world food security.

Objective 2.1: Develop and implement activities that help meet international food security challenges and support sustainable agricultural development internationally.

Baseline: Recent activity levels for selected performance indicators for this objective include:

	FY 1997
• Number of technical assistance and research projects funded to build sustainable foreign markets	250
• Number of technical assistance, training, and research activities facilitated by 1,087 FAS to enhance agricultural development	
• Number of research activities facilitated by FAS that encourage use of sound science in resolution of SPS issues	50
• Number of foreign participants trained in U.S. food safety standards through FAS-initiated seminars on food safety	85
• Number of training programs organized by FAS on use of food safety and biotechnology	0

Program Activities: *Long-term Market and Infrastructure Development:* Represent USDA interests in international fora and administer technical assistance, training, and research activities that promote broad-based agricultural and agribusiness development and address global food safety and nutrition issues.

Funding and FTEs	FY 1997	FY 1998	FY 1999	FY 2000
Salaries and Expenses (\$Mil.) – Appropriated	\$13.229	\$8.976	\$9.182	\$10.127
(\$Mil.) – Reimbursable	\$31.073	\$47.032	\$37.370	\$37.562
FTEs --- Appropriated	59	61	60	60
Reimbursable	123	129	129	129

PERFORMANCE GOALS AND INDICATORS Develop and implement research, training, and technical assistance; influence domestic and international policy dialog to enhance sustainable agricultural development, agribusiness and foreign market development, and the resolution of technical issues related to agriculture; and support liaisons with multilateral and financial organizations dealing with international agriculture.				
Number of research, training, and technical assistance activities; foreign currency projects; and initiatives supporting policy development to promote sustainable agricultural development	250	250	250	250
Number of research, training, and technical assistance activities; foreign currency and Emerging Markets projects; and initiatives supporting policy development to promote agribusiness and foreign market development.	1,087	1,100	1,100	1,100
Number of research, training, and technical assistance activities; foreign currency and Emerging Markets projects; and initiatives supporting policy development to address technical issues such as: food safety, biotechnology, SPS, nutrition, and food aid coordination.	---	---	200	200
Number of research activities facilitated annually by FAS that encourage use of sound science (i.e., <i>Codex Alimentarius</i>) in resolution of SPS issues	50	60	60	60
Number of foreign participants trained annually in FAS sponsored or organized seminars on U.S. food safety	85	90	90	120
Number of training programs organized annually by FAS on use of food safety and biotechnology	0	3	3	10
Number of U.S. agreements and treaties that are fully monitored	0	3	7	8
Number of U.S. citizens holding senior management positions in international organizations representing agricultural interests	8	8	9	10
Number of international organizations with an agricultural interest served, monitored, or advised	12	12	13	14
Number of negotiations and implementations of multilateral environmental agreements	1	2	3	3

Discussion of Performance Goals: The achievement of these performance goals supports the accomplishment of USDA's goal 2.5: Enhance world food security and assist in the reduction of world hunger. The rationale for FAS' administration of research, technical assistance, and economic development activities funded by USAID and other organizations is to help support the internationally sanctioned goal of

reducing by half the number of hungry and under-nourished people worldwide by the year 2015.

FAS' rationale for facilitating the education of foreign officials and key experts in foreign countries on U.S. food safety standards and biotechnology is that we can help mitigate foreign customers' concerns over food safety through education and information dissemination. These activities are carried out by working with universities and other Federal agencies such as the Agricultural Research Service, Animal and Plant Health Inspection Service, and USAID, to secure technical experts in the area of food safety and biotechnology.

FAS mitigates external factors that contribute to world hunger by working with international development banks, other Federal agencies (primarily USAID) and other organizations concerned with world hunger to encourage sustainable agricultural practices and enhance economic development and income growth.

Means and Strategies: The lead organizational unit is FAS' International Cooperation and Development (ICD) program area. Most of the funding of this program area's activities for administering research, technical assistance, training, and economic development is through reimbursable agreements with USAID, other USDA and Federal agencies, and foreign governments. The balance is supported by a combination of reimbursable funds for general support and administrative services, and FAS appropriated funding allocated for specific projects. Additionally, the FAS budget reflects resources associated with office space, computer hardware and software, and human resource support services (i.e., HAD, MSD and ARM). Improved use of enabling technologies and other operational processes will help FAS in achieving its objectives for this program activity by the year 2002. For example, FAS is currently implementing the Operational Information System (OIS) to track ICD Funding Authorizations, Projects, and Activities. The system will improve the organization's effectiveness in managing its projects and improve its ability to respond to informational requests from Congress and its customers (e.g., USAID). Strategies employed to accomplish these program activities are primarily determined by the funding agencies and departments.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. In FY 1998, FAS held GPRA workshops with every division within the agency to identify each division's primary and support roles and responsibilities relative to each and every performance goal/indicator. Upon determination of the division's roles and responsibilities as either primary or support, each division is developing verification and validation procedures to ensure that the data are accurate. FAS Compliance Review staff is reviewing these procedures for completeness and accuracy. Also, FAS is in the process of developing a performance management and reporting system that will be accessible from FAS' Intranet. Each division that has a primary responsibility for a performance goal/indicator will be required to report successes on a quarterly basis. These reports will be reviewed by the Office of the Administrator and the appropriate upper level managers. Every year, FAS will implement this process whereby divisions will identify their primary and support roles and responsibilities relative to next year's annual performance plan to ensure that new performance goals/indicators are covered and determine whether existing goals/indicators' verification and validation procedures are current.

FAS performance indicators related to the number of project participants and technical assistance activities will be verified in project and program reports and evaluations required under funding agreements. In some cases export sales will be verified by using specific information received from project or program recipients who document actual U.S. export sales resulting from FAS-administered activities. Finally, FAS will conduct an annual evaluation of its activities related to FAS/USDA representation at both international and inter-agency organizations. This evaluation will document qualitative and quantitative outcomes of such activities.

Objective 2.2: Develop and administer food aid and other assistance programs to meet international food security challenges and U.S. Government commitments.

Baseline: Recent activity levels for selected performance indicators for this objective include:

FY

		1997
• Percent of Emerging Market Program projects created to develop market infrastructure and market information systems in targeted countries	20%	
• Percent of Title I commodities (tonnage) shipped on U.S.-flag vessels in compliance with the Cargo Preference Act		77.4%
• Number of research and technical assistance projects initiated using P.L. 480		0
Section 108 currencies		

Program Activities: Long-term Market and Infrastructure Development: Administer P.L. 480 Title I, Food for Progress and Emerging Markets programs to meet humanitarian assistance needs, promote sustainable long-term economic development, and increase and diversify U.S. agricultural exports.

Funding and FTEs	FY 1997	FY 1998	FY 1999	FY 2000
P.L. 480, Title I Credit Sales (\$Mil.) – Appropriated	\$202.4	\$252.0	\$1,069.7	\$150.3
Food for Progress ^{a/} (\$Mil.) – Mandatory	\$45.7	\$55.6	\$66.6	\$45.8
Section 416(b) ^{a/} (\$Mil.) - Mandatory	n/a	\$1.0	\$732.8	\$24.2
Emerging Markets Program (EMP) (\$Mil.) – Mandatory	\$10.0	\$10.0	\$10.0	\$10.0
Salaries and Expenses (\$Mil.) – Appropriated	\$8.950	\$7.345	\$7.822	\$7.037
FTEs – Appropriated	69	72	70	68
^{a/} Represents 50 percent of the allocated costs of Food for Progress and Section 416(b) donations. Balance is allocated to FSA.				
PERFORMANCE GOALS AND INDICATORS Focus P.L. 480, Title I program resources toward developing countries. Deploy Food for Progress resources to support economic growth activities. Focus Section 416(b) resources to support humanitarian programs. Target EMP funds to low-income countries with high growth potential.				
Percent of Emerging Market Program projects created to develop market infrastructure and market information systems in targeted countries	20%	20%	20%	20%
Number of countries assisted on the procurement of P.L. 480 Title I commodities and freight coverage for Food for Progress and Section 416(b)	19	30	33	27
Percent tonnage of food aid (P.L. 480 Title I, Food for Progress and Section 416(b)) shipped on U.S. flag vessels in compliance with the Cargo Preference Act.	77.4%	73.7%	75.0%	75.0%
Percent of P.L. 480 Title I and Food for Progress program allocated to support expanded private sector activities in recipient countries	---	7.7%	10.0%	13.0%
Number of research and technical assistance projects initiated using P.L. 480 section 108 currencies	0	0	5	5
Number of U.S. Partner (community based) organizations implementing food aid programs in foreign markets	---	75	85	100
Number of Food for Progress and Section 416(b) agreements that are:				
* Monitored and Evaluated	186	196	212	227
* Closed (all requirements have been met)	---	---	53	57

U.S. agricultural exports supported by:				
P.L. 480, Title I (\$Mil.)	\$185.4	\$228.0	\$966.1	\$138.3
CCC-funded Food for Progress (\$Mil.)	\$66.6	\$84.0	\$98.2	\$61.5
Section 416(b) (\$Mil.)	0	\$1.9	\$787.4	\$45.1

Discussion of Performance Goals: The achievement of these performance goals supports the accomplishment of USDA's goal 2.5: Enhance world food security and assist in the reduction of world hunger. The rationale for FAS' administration of food aid and the Emerging Markets Program is to support long-term market infrastructure development to advance the important agency goal of promoting world food security. While food aid programs address both immediate humanitarian assistance needs and surplus reduction goals, USDA is focusing efforts to enhance the use of these programs to achieve long-term market development goals. One example is the effort to use the P.L. 480, Title I private sector authority. This is in addition to the food aid programs focused mainly on monetization that actively support private sector activity and economic growth in recipient countries.

As authorized by the P.L. 480 statute, FAS will use foreign currencies generated by P.L. 480 Title I, Section 108, to fund technical assistance and market development initiatives. FAS funds activities in selected countries to facilitate a transition toward commercially financed trade. The objective is to develop market infrastructure while helping developing countries feed their people. Over the long term, this should stimulate foreign demand and open new markets for U.S. food and agricultural products through their introduction to foreign consumers at the grassroots level.

In accordance with the cargo preference provisions of the Merchant Marine Act, 1936, as amended, at least 75% of the gross tonnage of commodities exported under food aid programs must be shipped on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates.

FAS mitigates external factors that may inhibit the distribution of food aid for humanitarian relief by working closely with private voluntary organizations, international development banks, and other Federal agencies (e.g., State Department and USAID) to enable the feeding of malnourished and hungry people.

Means and Strategies: The P.L. 480 Title I funds support market development initiatives and food aid commitments in Asia, Sub Saharan Africa, and other regions. Food for Progress supports initiatives in developing countries and countries that are emerging democracies that are committed to introduce or expand free enterprise elements into their agricultural economies. Section 416(b) of the Agricultural Act of 1949 provides that excess Commodity Credit Corporation stocks can be used to support humanitarian food aid activities.

The level of U.S. foreign food assistance provided through these programs will increase substantially in 1999. Donations of commodities under section 416(b) authority are expected to be at a record level as a result of the Food Aid Initiative announced by President Clinton on July 18, 1998. Under that initiative, approximately 5 million metric tons of wheat and wheat products are being made available for donation overseas through agreements with foreign governments, private voluntary organizations, and the World Food Program of the United Nations. Programming of this assistance is expected to be completed by the end of FY 1999, but shipments of the commodities are likely to continue through the end of the calendar year.

During FY 1999, FAS also will be administering a package of food assistance for Russia which was announced by the Secretary of Agriculture on November 6, 1998. Once fully implemented, the package will include 1.8 million metric tons of commodities to be provided through P.L. 480 Title I concessional financing agreements and Food for Progress grant agreements carried out with Title I funds. An additional 1.5 million metric tons of wheat is expected to be provided to Russia through the President's Food Aid Initiative. Although programming of the assistance will be completed during FY 1999, some commodity shipments may carry over to FY 2000.

The lead organizational unit is FAS' Export Credit program area. FAS's strategy is to identify and prioritize country allocations by using the data collected through the Country Promotion Planning Process (that is provided by FAS' overseas offices) and other sources.

Export Credits evaluates this information and develops and administers programs and activities under its authority. This program area works in coordination with FAS' International Cooperation and Development program area, sharing responsibility for some Emerging Markets projects and P.L. 480 foreign currency accounts. FAS' headquarters office uses its overseas field office staff and works with other U.S. governmental agencies' staff in countries where FAS is not present to help negotiate P.L. 480 Title I agreements and review the viability of Emerging Markets and Food for Progress projects. FAS works in partnership with private voluntary organizations and other agricultural development organizations, including agricultural marketing cooperatives, to implement Emerging Markets and Food for Progress programs. Under the Food for Progress program, FAS uses the services of the procurement staff of the Farm Service Agency (FSA) in Kansas City, Missouri to purchase the commodities. FAS' P.L. 480 Operations Division oversees freight arrangements for bulk commodities, and the Agency for International Development oversees freight arrangements for packaged commodities. Improved use of enabling technologies and other operational processes will help FAS in achieving its objectives for this program activity by the year 2002.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. In FY 1998, FAS held GPRA workshops with every division within the agency to identify each division's primary and support roles and responsibilities relative to each and every performance goal/indicator. Upon determination of the division's roles and responsibilities as either primary or support, each division is developing verification and validation procedures to ensure that the data are accurate. FAS Compliance Review staff is reviewing these procedures for completeness and accuracy. Also, FAS is in the process of developing a performance management and reporting system that will be accessible from FAS' Intranet. Each division that has a primary responsibility for a performance goal/indicator will be required to report successes on a quarterly basis. These reports will be reviewed by the Office of the Administrator and the appropriate upper level managers. Every year, FAS will implement this process whereby divisions will identify their primary and support roles and responsibilities relative to next year's annual performance plan to ensure that new performance goals/indicators are covered and determine whether existing goals/indicators' verification and validation procedures are current.

FAS uses automated systems to capture data required to verify and validate the performance indicators, including the Automated P.L. 480 Umbrella System (APLUS) and various small databases. The APLUS system is maintained by FSA under the auspices of the Commodity Credit Corporation and is used jointly by FAS and FSA to provide complete financial management and accounting for this program.

Management Initiative 1: Promote organizational efficiency through implementing Congressional mandates (e.g., GPRA, ITMRA), Presidential Executive Orders (e.g., NPR, Customer Service, Partnership Councils), and Departmental Orders (e.g., Civil Rights and EEO).

Objective: Improve program delivery of customer services through strategic planning and better business processes.

Program Activities: All

Funding and FTEs	FY 1997	FY 1998	FY 1999	FY 2000
Salaries and Expenses (\$Mil.) FTEs	Included under Goals 1 & 2	Included under Goals 1 & 2	Included under Goals 1 & 2	Included under Goals 1 & 2

PERFORMANCE GOALS AND INDICATORS Implement strategic and performance planning at all levels of the agency. Re-engineer operational processes to improve organizational capacity to deliver timely and efficient services to customers.				
Create and modify strategic plans, annual performance plans (APPs), and evaluate results in annual performance and budget reports to Congress	Yes	Yes	Yes	Yes
Develop and modify Civil Rights Strategic Plan (CRIT 1.1)	Yes	Yes	Yes	Yes
Develop Civil Rights Program Delivery Plan and Establish/Maintain Outreach Liaison Position (CRIT 2.2) including the expansion in the use of cooperative agreements with Community Based Organizations	Yes	Yes	Yes	Yes
Develop and implement Program Discrimination Procedures (CRIT 2.3)	Yes	Yes	Yes	Yes
Develop and implement an integrated FAS-wide resource and budget allocation process aligned with the APP	Yes	Yes	Yes	Yes
Implement annual global review of overseas staffing patterns based on standardized methodological approach	Yes	Yes	Yes	Yes
Develop 5-year information resource management strategic plan mandated by ITMRA and implement funded initiatives, including addressing Y2K issue	Yes	Yes	Yes	Yes
Develop and implement an agency-wide performance measurement and evaluation system in support of GPRA and agency goals/objectives	Yes	Yes	Yes	Yes
Support the Secretary's goal of converging administrative functions across agencies	Yes	Yes	Yes	Yes

Discussion of Performance Goals: FAS' rationale for this management performance objective is to align the GPRA requirements with new and modified management processes and systems. Recently enacted Federal statutes and executive orders, including the Government Performance and Results Act (GPRA), Financial Accountability Act, Chief Financial Officers Act (CFO), Information Technology Management Reform Act (ITMRA), Government Management Reform Act (GMRA), Presidential Executive Orders on Customer Service, and Partnership Councils mandated by the National Performance Review, are fundamentally changing the way government operates. In order to institutionalize strategic planning, Civil Rights, and EEO initiatives, FAS will revise its Civil Rights individual performance element to incorporate measurable goals and objectives.

FAS is a world-wide organization that requires a global information infrastructure to effectively carry out its mission. A major focus of its overseas office arm is collecting and reporting market oriented intelligence. Information collected, reported and disseminated is central to FAS effectiveness in attaining its mission, goals, and objectives. Therefore, its communications systems and links are critical to the success of those efforts. Ongoing efforts to enhance and upgrade systems are a major focus of the agency and, in the case of its

overseas offices, these efforts must rely on cooperation and joint implementation with the Department of State.

To maintain an effective communications system and mitigate the negative impact of disparate information handling processes across the Federal Government, FAS must rapidly adopt standards-based technologies that will allow these processes to be integrated. Since the primary driver of communication requirements is the State Department, FAS works with them and other Federal agencies which have overseas offices and personnel (e.g., Treasury Department and Commerce Department) in adopting standards-based technologies. Where appropriate, FAS ensures that these standards are compatible with those established by the USDA Standards and Architecture Groups of the Office of the Chief Information Officer.

The ubiquitous nature of Internet technology makes it especially well suited to provide a global information infrastructure. However, it is important to remember a network is not the technology; rather, the technology is what makes the network happen. People and their work processes make up a network. The more effectively FAS is able to re-engineer the processes by which it adds value to its information resources (i.e., market intelligence), the more effective its service to the public becomes.

Means and Strategies: FAS is implementing strategic planning at all levels of the organization, using GPRA as the central organizing focus. To ensure full implementation of its strategic and annual performance plans, FAS is engaging in the following tactical and action planning initiatives: (1) developing and implementing Civil Rights and EEO strategic action plans that are consistent with Secretarial Directives and appropriate laws and regulations; (2) developing an integrated resource allocation process that assists U.S. agricultural interests in prioritizing and capitalizing on the opportunities identified in the Country Promotion Planning process; (3) developing a systematic approach to make decisions on how overseas' offices are staffed, maintained, opened and/or closed; and (4) strategically managing/ improving FAS' processes to justify the acquisition/ implementation of enabling technologies that are consistent with USDA's technical and information architecture.

The lead organizational unit is FAS' Office of Administrator. FAS' interpretation of ITMRA and OMB guidance on justifying future technology acquisitions is that additional duties are being placed on its program managers. FAS also faces challenges in keeping its overseas communications lines open despite major investments in current technology by USDA. Reliable communications with its field offices are critical to meeting the FAS objective of improving customer service. The Department of State manages most communications systems abroad and currently is engaged in upgrading these systems under authority of the Diplomatic Telecommunications Service (DTS) authorized by Congress in 1993. However, the DTS system may not fully serve FAS needs due to funding limitations and security concerns at the Department of State.

FAS human resources will be used to improve the organizational efficiency of FAS. However, outside (private-sector) assistance will be required on various tasks related to achieving this goal. To improve FAS' efficiency, managers and employees across division lines in Washington headquarters and U.S. Embassies overseas will work in teams as the subject matter experts. These teams will be assisted by knowledgeable experts from USDA and private sector contractors to assist, guide, and facilitate GPRA and other planning processes. Appropriate computerized planning and analysis tools may be purchased for strategic and project planning.

In order to fully institutionalize strategic planning at every level of the organization, FAS will be following bottom-up and top-down approaches. Building upon the strategic planning workshops held over the spring and summer of 1997 with every division and large staff group in the agency, FAS conducted workshops in the Spring of 1998 and plans on continuing to involve a cross-section of the agency in this process. These workshops provide a means to link what every employee is doing to support the organization-wide goals, and introduce the concepts of verification and validation and process improvement in results-focused framework. By introducing process management to the managers and employees at the same time, they can begin to understand how the collective/individual activities impact FAS' service delivery to its customers and how

improvements in work processes can dramatically improve service delivery.

Following a top-down approach, FAS will engage its senior leadership in identifying FAS' core business processes and educate them on the value of vertical and horizontal alignment (i.e., linking employees to the organization's strategies and linking what our customers want with our operational processes). Building a consensus among the senior leadership on agency priorities is vital for buy-in and support for any agency-wide, cross-functional project. Resources (funding and staffing) for this management objective are drawn from all program activities since these are cross-agency initiatives. Additionally, FAS receives its administrative support (personnel, information technology, procurement, and financial management) from the Farm Services Agency as a result of the 1994 USDA Reorganization. As a result of Administrative Convergence, it is expected that FAS will receive most of its administrative support from the Support Services Bureau.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. In FY 1998, FAS held GPRA workshops with every division within the agency to identify each division's primary and support roles and responsibilities relative to each and every performance goal/indicator. Upon determination of the division's roles and responsibilities as either primary or support, each division is developing verification and validation procedures to ensure that the data is accurate. FAS Compliance Review staff is reviewing these procedures for completeness and accuracy. Also, FAS is in the process of developing a performance management and reporting system that will be accessible from FAS' Intranet. Each division that has a primary responsibility for a performance goal/indicator will be required to report successes on a quarterly basis. These reports will be reviewed by the Office of the Administrator and the appropriate upper level managers. Every year, FAS will implement this process whereby divisions will identify their primary and support roles and responsibilities relative to next year's annual performance plan to ensure that new performance goals/indicators are covered and determine whether existing goals/indicators' verification and validation procedures are current.

FAS will develop and adopt appropriate methodologies to implement GPRA and will measure performance accordingly. FAS plans to survey and integrate into its procedures the best practices of Federal, State and local governments and the private sector related to strategic planning, process improvement, and technology management. FAS will regularly measure the number of its field posts with effective DTS communication links.

Management Initiative 2: Enhance workforce effectiveness through implementing Congressional mandates (e.g., GPRA, ITMRA), Presidential Executive Orders (e.g., NPR, Customer Service, Partnership Councils) and Departmental Orders (e.g., Civil Rights/EEO).

Objective: Increase workforce effectiveness of program delivery.

Program Activities: All

Funding and FTEs	FY 1997	FY 1998	FY 1999	FY 2000
Salaries and Expenses (\$Mil.) FTEs	Included under Goals 1 & 2	Included under Goals 1 & 2	Included under Goals 1 & 2	Included under Goals 1 & 2
PERFORMANCE GOALS AND INDICATORS Implement recommendations of Presidential Executive Orders to improve workforce efficiency. Implement USDA's Civil Rights Action Team report to improve FAS' work processes.				

Develop and Implement Civil Rights Performance Standard for All Managers (CRIT 1.2)	Yes	Yes	Yes	Yes
Establish Reprisal Panels and Implement Disciplinary Policy and Procedures (CRIT 1.3)	n/a	Yes	Yes	Yes
Develop and Submit Civil Rights Compliance Review Plans (CRIT 2.1)	Yes	Yes	Yes	Yes
Develop Affirmative Employment and Recruitment Program and Train Recruiters and Outreach Representatives (CRIT 3.1) in maintaining active relationships to ensure recruitment of students from Hispanic Serving Institutions, 1890 schools, Historically Black Colleges and Universities, and 1994 Land Grant Institutions and Asian-Pacific American students and students with disabilities	Yes	Yes	Yes	Yes
Develop and Implement Employee Complaint Process (CRIT 3.2)	n/a	Yes	Yes	Yes
Implement Conflict Management Policy and Procedures and Train All Managers (CRIT 3.3)	n/a	Yes	Yes	Yes
Develop and Implement Workforce Diversity Plan for Political Appointees (CRIT 3.4)	n/a	Yes	Yes	Yes
Develop Agency Workforce Plans and Implement Human Resources Evaluation Program, Worklife Survey, and Exit Interviews (CRIT 3.5)	n/a	Yes	Yes	Yes
Implement Competency-based Management Training and Complete Peer Surveys (CRIT 3.6)	n/a	n/a	Yes	Yes
Provide Civil Rights Training to All Employees (CRIT 4.1) including monthly EEOAC meetings	n/a	Yes	Yes	Yes
Training initiatives developed and implemented: * Customer service * Management skills * Support staff skills * Training handbook with resource appendix	n/a n/a n/a n/a	Yes Yes Yes Yes	Yes Yes Yes Yes	Yes Yes Yes Yes
Customer satisfaction surveys/focus group interviews and listening sessions implemented: * Peer Evaluations of FAS' headquarters and overseas offices' performance and customer responsiveness * Private Vendor Organization Community * GSM Exporters/Banks * Cooperators	n/a n/a n/a n/a	Yes Yes Yes Yes	Yes Yes Yes Yes	Yes Yes Yes Yes

Discussion of Performance Goals: Recently enacted Federal statutes are fundamentally changing the way Government operates. These include: Government Performance and Results Act (GPRA), Financial Accountability Act, Chief Financial Officers Act (CFO), Information Technology Management Reform Act (ITMRA), Government Management Reform Act (GMRA), Presidential Executive Orders on Customer

Service, and Partnership Councils mandated by the National Performance Review. FAS' rationale for eliminating barriers to performance is to improve the effectiveness and efficiency of each employee and manager through resolution of union/ management issues, enhancement of organizational and individual skills development, and greater use of the cultural diversity within the organization and its partners.

FAS complied with the President's Executive Order on Partnership Councils by implementing a highly effective and beneficial assembly of managers and Union representatives (AFSCME and AFSA within FAS). The success of the FAS Partnership Council was recognized as a model council by USDA and other Federal agencies for its work in helping FAS address difficult and important issues. These include procedures for workforce realignment or reorganization to improve program delivery and efficiency; less cumbersome hiring procedures that empower the selecting manager; empowerment of both managers and staff, and the reduction of bureaucratic red-tape.

FAS also is committed to institutionalizing the Secretary of Agriculture's policy on Civil Rights (CR) and Equal Employment Opportunity (EEO) where every customer and employee must be treated fairly and equitably, and with dignity and respect. To achieve this goal, each employee of FAS must demonstrate a commitment to equal opportunity for all individuals, embrace and value diversity, and strengthen his/her commitment to an equitable and discrimination-free workplace.

FAS has several working agreements with Community Based Organizations, including Asian American, American Indian, African American, Hispanic Serving Institutions, and 1890 Schools to help ensure this goal is met. No external factors are anticipated.

Means and Strategies: The lead organizational unit is FAS' Office of Administrator. FAS is supported by FSA's Human Resources and Training organizations under the cross-servicing agreement between FAS and FSA. Employees will receive a mix of in-house/on-the-job training and training offered by private vendors. FAS created a temporary position in the Office of the Administrator to coordinate training activities for the agency. In addition, FAS human resources will be utilized to support the Partnership Council and EO/CR activities. However, FAS may require the occasional assistance of an outside facilitator to help the organization resolve complex issues. Specific training on "Interest Based Bargaining" will continue to be emphasized because of its proven effectiveness among FAS employees in reaching consensus on an issue.

To fully implement the Presidential Executive Order on Customer Service, FAS may require the assistance of contractors to guide personnel in developing, implementing, and interpreting customer service survey results. FAS also will explore using its Internet Homepage to capture appropriate information from customers to provide better service to them. Additionally, FAS will conduct customer service surveys and/or focus group interviews to create the baseline measure of satisfaction for several activities. Resources (funding and staffing) for this management objective are drawn from all program activities since these are cross-agency initiatives.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. In FY 1998, FAS held GPRA workshops with every division within the agency to identify each division's primary and support roles and responsibilities relative to each and every performance goal/indicator. Upon determination of the division's roles and responsibilities as either primary or support, each division is developing verification and validation procedures to ensure that the data is accurate. FAS Compliance Review staff is reviewing these procedures for completeness and accuracy. Also, FAS is in the process of developing a performance management and reporting system that will be accessible from FAS' Intranet. Each division that has a primary responsibility for a performance goal/indicator will be required to report successes on a quarterly basis. These reports will be reviewed by the Office of the Administrator and the appropriate upper level managers. Every year, FAS will implement this process whereby divisions will identify their primary and support roles and responsibilities relative to next year's annual performance plan to ensure that new performance goals/indicators are covered and determine whether existing goals/indicators' verification and validation procedures are current.

Employee and Customer Surveys will be developed and used to gauge the improvement in workforce effectiveness and customer satisfaction. Additionally, the development of an agency-wide performance measurement and evaluation system will address any shortcomings on data availability under this objective.

Summary of Agency Resources
FY 2000
(\$000)

Program Activity	Goal 1	Goal 2	Total
1.1 Market Access			
Appropriated – Salaries and Expenses FTEs	\$26,465 203		\$26,465 203
1.2 Market Development, Promotion, and Outreach			
Mandatory – Market Access Program Foreign Market Development Program Quality Samples Program Appropriated -- Salaries and Expenses FTEs	\$90,000 \$27,500 \$2,500 \$38,549 172		\$90,000 \$27,500 \$2,500 \$38,549 172
Reimbursable – Salaries and Expenses FTEs	\$250 3		\$250 3
Subtotal – Combined Appropriated and Reimbursable	\$158,799		\$158,799
1.3 Market Intelligence			
Appropriated – Salaries and Expenses FTEs	\$23,774 180		\$23,774 180
Reimbursable – Salaries and Expenses FTEs	\$100 2		\$100 2
Subtotal – Combined Appropriated And Reimbursable	\$23,874		\$23,874
1.4 Financial Marketing Assistance			

Mandatory –			
Export Credit Guarantees	\$4,506,000		\$4,506,000
Export Enhancement Program	\$494,000		\$494,000
Dairy Export Incentive Program	\$98,600		\$98,600
Appropriated --			
Salaries and Expenses	\$8,822		\$8,822
FTEs	68		68
Subtotal –			
Combined Mandatory and Appropriated	\$5,107,422		\$5,107,422

Program Activity	Goal 1	Goal 2	Total
Long-term Market and Infrastructure Development			
2.1 Research, Technical Assistance, Training Activities For Sustainable Development			
Appropriated –			
Salaries and Expenses		\$10,127	\$10,127
FTEs		60	60
Reimbursable –			
Salaries and Expenses		\$37,562	\$37,562
FTEs		129	129
Subtotal –			
Combined Appropriated and Reimbursable		\$47,689	\$47,689
2.2 Administer PL 480 and Other Assistance Programs			
Mandatory –			
Food for Progress		\$45,800	\$45,800
Section 416(b)		\$24,200	\$24,200
Emerging Markets Program		\$10,000	\$10,000
Appropriated –			
P.L. 480, Title I		\$150,300	\$150,300
Salaries and Expenses		\$7,037	\$7,037
FTEs		68	68
Subtotal –			
Combined Appropriated and Mandatory		\$237,337	\$237,337
Total FAS Resources			
Combined Appropriated and Reimbursable	\$5,107,422	\$285,026	\$5,392,448
Total FAS FTEs			
Combined Appropriated and Reimbursable	628	257	885